

# **Trends and Opportunities**

**IL DOT Fall Planning Conference** 

Fred Abousleman
Executive Director
National Association of Regional Councils



#### **Our Premise**

- Thanks to our IL partners DOT and MPOs
- Our speakers and panel
- Infrastructure is key
- Redefining the region and the regional economy is key



# The Current Economic Crisis

- Massive infusion of public capital into the economy
   close to one trillion dollars
- Sweeping commercial and personal default
  - Add \$225,000 to every foreclosure for true economic effect
- Is slowing investment and innovation
- The premise that the private sector would assist the public in development and infrastructure is now false for the foreseeable future



#### State of the Nation

- US economic conditions is hitting everything federal, state and local budgets are under constraints and cuts.
- ASCE has given our nation's public infrastructure a D, estimating that it will cost \$2.2T over the next five years just to repair current infrastructure
- More than 72,000 miles of municipal water and sewer pipe are more than 80 years old, threatening the public health and economies of communities large and small
- Japan, China, India, and the EU are investing much more in infrastructure



#### **The Nation**

- The U.S. spends less than 1% of GDP on infrastructure
  - China spends 9%
  - India spends 3.5%
- Federal infrastructure spending accounted for 10% or more of the budget from 1959 -1966
- TODAY, federal spending on infrastructure is approx. 3% of total federal budget
- CBO estimates \$1.7T deficit (11.9% of GDP) this year
- States and localities account for around 75% of total infrastructure spending



### Things looking up in the economy

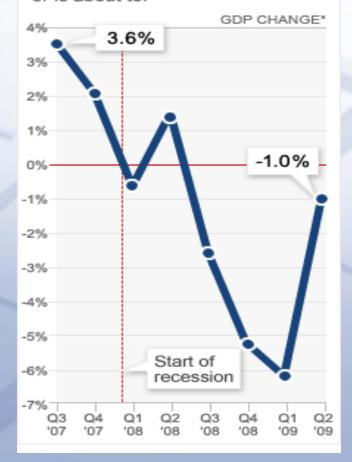
- Housing Starts are up
- · S&P up



#### **The Nation**

#### Signs of recovery

Economic activity still fell in the second quarter, but there is a growing belief among economists that the recession recently ended, or is about to.





# Second Stimulus NARC Report

NARC released, Regional Infrastructure Investment: Building Our Economies; Investing in Our Communities, providing a snapshot of potential investment on the regional level. NARC identified \$23 billion+ worth of "ready-to-go" projects that could be contracted out within 180 days.



#### REGIONAL INFRASTRUCTURE INVESTMENT:

BUILDING OUR ECONOMIES; INVESTING IN OUR COMMUNITIES

A Snapshot of Ready-To-Go Projects





Building Regional Communities

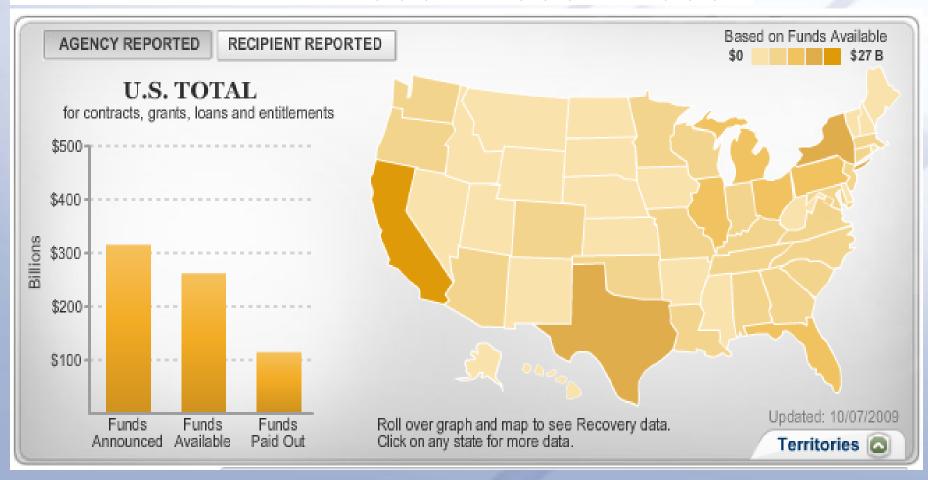
December 2008



# **ARRA Spending to**

Rank	State	Funds Announced	Funds Available	Funds Paid Out
1	California	\$26,275,604,781	\$27,267,958,170	\$15,208,373,904
2	New York	\$18,309,162,504	\$18,151,457,630	\$7,727,825,399
3	Texas	\$17,032,723,087	\$14,163,432,504	\$4,980,927,858
4	Florida	\$11,962,082,705	\$11,301,508,807	\$4,353,783,475
5	Illinois	\$10,752,295,016	\$9,385,427,373	\$4,991,307,939

**Date** 





# **Climate Change**

- Administration/Congressional Priority
- Unclear if there will be money for infrastructure NARC closely working with Senate
- Senate working on providing transportation planning and transit and performance grant funding
- Performance grant funding would be more project-based and could be suballocated to local governments
- Mayors pushing for EECBG funding
  - To develop and implement projects to improve energy efficiency and reduce energy use and fossil fuel emissions in their communities



### **Climate Change**

- HR 2454 Waxman Markey
- S 1733 Boxer Kerry
- Very little \$\$ for transportation
- House (passed in June) = strict mandates
- Senate (working to get votes) = more flexibility
- Senate EPW Committee work on in October
- Obama Admin. to show US progress in December Copenhagen Climate Meeting
- Unlikely full climate bill will move in 2009



### Climate Change

- NARC's Climate Change Framework focuses on incentive-based alternative to GHGs in transportation planning
- Many meetings with Senate EPW Staff
- Great progress from House bill→CLEAN-Tea bill→S 1733
- NARC continues to work with Senate on \$1733:
  - **Include transportation funding for new requirements**
  - Two funding pots = transportation planning and implementation (local governments eligible grantees)
  - **DOT lead agency (coordinates with EPA)**
  - VMT is a potential strategy, not national goal
  - Flexibility in strategies to reduce GHGs
  - **Maintain local land use authority**
  - Prevents all lawsuits on plan or outcome
  - Eliminate any decertification language
  - Require multi-regional coordination
  - Allow credit for previously developed plans

ng economic and environmental sesses through improved transportation



chronogies and fuels, innovative best practices and increased mosts choices, innovation for continued eurosess must b encouraged. This can be some by providing local governments, through their regional planning organizations, the pro-authority, resources, incentives and fleetibility to develop the most effective programs for their given community/region

termination of the control of the co ) the rose of MPOs in Girlús reduction be flexible and adaptione to varying regional make ups and asset forceing as approaches to GHO reduction efforts:

- Connotten the MPO-Clate relationation
- Integrate Girtü, reduction goals and strategies into the existing long-range transportation planning on Recognitive that reducing vehicle indies of lawer (VMT) is one potential strategy. Require the use of flareties, locately-drived performance insessures.
- restrute MIPO also minimums.

- Include educational and training opportunities.
   Support for strategy implementation.
   Engograph regional and local innovation and flexibility.

- Promote on going research.
   Ensure the benefits outweigh the costs.
   Appoint USDOT the read federal agency.

and servinty of the validor. MARCN memorics are proposed to more with Congress and the Asiminativities to develop heal opportunities for transportation and the environment that are best posed to address our cument and future heads. However, this requires facility, indentives, codybuy-in, tools, copicity and data in order to tap into the innovation required to make our communities better places to live, work and grow.

MARC Commit Stannon Menant, Policy Manager, 202,898,1955, 6217 or abandong MARC



# Livability

- S1619 NARC & Senate Banking Committee –reinvigorating comprehensive regional planning
  - Opportunities for planning and implementation \$ through
     HUD
  - Streamlines processes and connects federal agencies and programs
  - Coordinates strategic regional transportation, economic, environmental, land use and housing
  - Urban and Rural includes definition for RPOs and makes them eligible for funding
  - May be combined into other legislative vehicle, i.e.
     transportation authorization, etc. will take time to move
- FY10 T-HUD appropriations will have some funding (\$150M)
- NARC Livability Framework @ www.narc.org



# **Transportation**

- Envisions a shift in state and local responsibilities
  - House Released Bill (\$500 billion)
  - Senate still working
- New roles/responsibilities for MPOs, RPOs, States
- HTF insolvent recent transfer of General Fund \$
- No clear agreement on funding/financing
  - Ways and Means & Finance Committees focused on healthcare
  - Gas tax increase only short term solution politically unfeasible;
     Congressional elections in 2010
  - Must score positively
- Oberstar vs. Senate and Obama Administration
  - House passed three month extension
  - Senate 18-month extension in the works
  - Now running on CR
  - Some estimate short-term extensions up to 2 years total
- No new funding in sight timely, complicated process
- Rescissions confuse process
  - Taking money back
  - Conflicts with ARRA



# **Transportation**

- Streamlining
  - Processes
  - Project Delivery
  - Programs
- New environmental requirements
- New governance requirements
- Restructuring of the MPO size



#### Politics 2010

- Momentum into mid-term elections
  - D's need to keep seats
  - R's need to take seats
- Surface Transportation Bill
  - Emerged from the House
  - Unlikely from the Senate
  - Does have policy recommendations
  - Does not have revenue attached
  - Is a contest over climate change and traditional transportation
- Health Care
- Climate Change
  - Cap and Trade versus tax
  - Looming in Congress and Administration
  - May stall other legislation
- More stimulus spending?
  - ARRA 2?

HOW CONGRESS SPENDS YOUR MONEY AGENCY Corps of Engineers Executive Office of President FY08 Actual Legislative Branch FY07 Actual National Science Foundation FY06 Actual Department of Commerce FY05 Actual Department of State Environmental Protection Agency Department of Interior 14 International Assistance Programs NASA 12 Other Independent Agencies 10 Department of Homeland Security o 9 Department of Energy 8 **Frillions of Dollars** Department of Justice & Judicial Branch E 6 8 Housing and Urban Development ti Department of Education m а Department of Labor 2 Department of Transportation Veterans Affairs Debt Total Office of Personnel Management Department of Agriculture Department of Defense Health and Human Services Treasury Dep. (includes interest on Debt) 100 200 300 400 500 600 700 800 Billions of Dollars Social Security Administration 100 400 500 600 700 o 200 300 http://www.federalbudget.com



## Your strategy

- Develop a IL consensus position built around your elected officials
  - Representing IL DOT, MPOs, RPOs
  - With input from League of Cities, Counties,
     Mayors, Chambers, Planners, etc..
  - Pound the message home





- Multiple regional meetings
- Committee meetings
- Spectrum of ideas
  - Devolution stronger federal program
- Innovation Empowerment Streamlining -Consistency
- We support a regional revolution



# **NARC Programs**

Community and Economic Development	Environment	Transportation
EDA	Water	Highway
Housing	Air Quality	Transit
Aging	Brownfields	Rail
Base Realignment	Climate Change	Aviation
Workforce	Energy	Maritime

Homeland Security/Public Safety – Planning and Evacuation Management, 911, Communications